

**MARKET NOTICE**

 Johannesburg  
 Stock Exchange

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[www.jse.co.za](http://www.jse.co.za)

**Number:** 488/2017  
**Relates to:**  Equity Market  
 Equity Derivatives  
 Commodity Derivatives  
 Interest Rate and Currency Derivatives  
**Date:** 6 November 2017

**SUBJECT: INTRODUCING FEBRUARY 2018 QUANTO SOYBEAN OIL CAN-DO CONTRACT**

**Name and Surname:** Raphael Karuaihe  
**Designation:** Head: Commodities

The February 2018 Quanto Soybean Oil Can-do futures contract will be listed for trading on 7 November 2017. Insofar as any contractual provision set out below is inconsistent with the rules and regulations (“Rules”) of the JSE Limited (“JSE”), the Rules will prevail unless the JSE expressly permits the Parties to give effect to their contractual provision.

## Contract Specifications – Commodity Can-Do XQSO

GENERAL TERMS – FUTURE CONTRACT	
<b>Description</b>	FEB18 QUANTO SOYBEAN OIL COMMODITY CAN-DO
<b>Can-Do Name</b>	Can-Do XQSO
<b>Can-Do-Code</b>	XQSO
<b>Contract Size (Multiplier)</b>	1 contract = 60,000 multiplier of the reference price in cents per pound(lbs.)
<b>Reference Contract</b>	Soybean Oil (product symbol BOH8), March 2018 expiry month as traded on CBOT, a subsidiary of the CME Group Inc.
<b>Quotations</b>	Denominated in South African Rand (ZAR) cents per pound(lbs.)
<b>Minimum Price Movement</b>	R0.0001 ZAR per contract unit

<b>JSE Fees</b>	R10.00 per contract (INCL VAT)
<b>Initial Margin</b>	R1,667
<b>Series spread margin</b>	N/A
<b>Position Limits</b>	Not applicable
<b>Trade Date</b>	The date the Can-Do position is first entered into by the clients and captured by the JSE
<b>Business Day</b>	Any day on which banks are open for a normal trading day in Johannesburg and prices are published by the JSE.
<b>Underlying</b>	
<b>Underlying Future</b>	A Soybean oil futures contract meeting all specifications as listed and traded on CBOT, a subsidiary of the CME Group Inc. The JSE reserves the right to amend the contract specifications including settlement methodology should this be amended by the reference exchange.
<b>Daily MTM</b>	Snapshots of contract will be taken between 16h55 and 17h00. Based on the random snapshot selected the MTM will be calculated as the middle of the double based on best bid and offer.
<b>Daily MTM time</b>	16h55 - 17h00
<b>Initial reference level</b>	As agreed by the Long and the Short Party on the trade date in Rand cents per pound (lbs.). Confirmed by the EFR transaction generated by the exchange upon confirmation of the Can-Do trade. The report only transactions will be facilitated by the JSE.
<b>Underlying Currency</b>	Rand (ZAR)
<b>Last trading date</b>	23 February 2018
<b>Settlement Date</b>	26 February 2018
<b>Valuation Frequency</b>	Daily between 16h55 and 17h00
<b>TERMS &amp; CONDITIONS – Can Do XQSO</b>	
<b>Type</b>	Can Do Future
<b>Buyer</b>	Is the party that is the Long Party to the Can Do Future
<b>Seller</b>	Is the party that is the Short Party to the Can- Do Future
<b>Initial Futures Price</b>	As agreed by the Long and the Short Party on the trade date in Rand cents per pound (lbs.). Confirmed by the EFR transaction generated by the exchange upon confirmation of the Can-Do trade. The report only transactions will be facilitated by the JSE.

PROCEDURE AT EXPIRATION	
<b>Final valuation and cash settlement</b>	The final settlement price for cash settlement of the contract will require only CME Group closing price, denominated in ZAR. The CME Group settlement value (MTM) published on the last trading date of the South African contract, for avoidance of doubt 23 February 2018, will be applied as the final cash settlement value on settlement date 26 February 2018. There will be no foreign exchange rate adjustments.
GENERAL TERMS – OPTIONS CONTRACT	
<b>Description</b>	FEB18 QUANTO SOYBEAN OIL COMMODITY CAN-DO OPTION
<b>Can-Do Name</b>	Can-Do XQSO
<b>Can-Do-Code</b>	XQSO
<b>Option Style</b>	European Style
<b>Contract Size (Multiplier)</b>	1 contract = 60,000 multiplier of the reference price in cents per pound(lbs.)
<b>Strike price interval</b>	R0.50 per contract unit strike price intervals.
<b>Quotations</b>	Denominated in South African Rand (ZAR) cents per pound(lbs.)
<b>JSE Fees</b>	R10.00 per contract (INCL VAT)
<b>Series spread margin</b>	N/A
<b>Position Limits</b>	Not applicable
<b>Trade Date</b>	The date the Can-Do position is first entered into by the clients and captured by the JSE
<b>Business Day</b>	Any day on which banks are open for a normal trading day in Johannesburg and prices are published by the JSE.
Underlying	
<b>Underlying Future</b>	FEB18 QUANTO SOYBEAN OIL COMMODITY CAN-DO
<b>Daily MTM</b>	Mark-to-market prices will be calculated from volatility quotes for at-the-money using the Black options pricing model
<b>VSR</b>	3.5%
<b>Daily MTM time</b>	16h45 - 17h00
<b>Initial reference level</b>	As agreed by the Long and the Short Party on the trade date in Rand cents per pound (lbs.). Confirmed by the EFR transaction

	generated by the exchange upon confirmation of the Can-Do trade. The report only transactions will be facilitated by the JSE.
<b>Underlying Currency</b>	Rand (ZAR)
<b>Last trading date</b>	23 February 2018
<b>Final settlement date</b>	26 February 2018
<b>Valuation Frequency</b>	Daily between 16h55 and 17h00
<b>TERMS &amp; CONDITIONS – Can Do XQSO</b>	
<b>Type</b>	Can Do Future
<b>Buyer</b>	Is the party that is the Long Party to the Can Do Future
<b>Seller</b>	Is the party that is the Short Party to the Can- Do Future
<b>Initial Futures Price</b>	As agreed by the counter parties, EFR or trade level
<b>PROCEDURE AT EXPIRATION</b>	
<b>Expiration Price (for automatic exercise)</b>	Mark-to-market price of the underlying future as per CME Group, at-the-money options volatility.

Since the Can-Do is specific between the two counterparties, the original trade is reported into the order book. The contract is visible on the NUTRON front end under Agris Trading, Cando.

The above instrument has been designated as “foreign” by the South African Reserve Bank

Should you have any queries regarding this notice, please contact [commodities@jse.co.za](mailto:commodities@jse.co.za).

This Market Notice will be available on the website at <https://www.jse.co.za/redirects/market-notices-and-circulars>